

Completed Audit Reports (January - February 2013)

Annex A

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Building Maintenance	<p>The County Council's buildings are assets which require proper maintenance in order to ensure that they function as efficiently and effectively as possible in supporting front line services. Deterioration of buildings if not checked can lead to significant future financial burdens, disruption of services and potential legal and health and safety implications.</p>	<p>Following changes to the method of payment to the contractor, an exercise was undertaken with the assistance of Procurement which shows that, based around some prudent assumptions, savings in the region of £322,000 or 11.3% for 2011/12 have been secured.</p> <p>Compensation Events (CEs) arise where the nature of works change from that specified impacting on time and / or costs. The contractor should advise the client of these and provide a costed breakdown of the impact on the scheme which the client will review and agree. In all cases looked at by the auditor, where CEs arose there was no supporting documentation detailing how the CE had been costed and any impact assessed.</p> <p>A review of a sample of files indicated that management of works could be enhanced in a number of areas.</p> <p>Condition surveying is a key process underpinning any robust asset management plan. This audit review highlighted a number of concerns, e.g.</p> <ul style="list-style-type: none"> > the large number of entries with either no assessed completion date or cost, > the high number of works categorised as condition 'C' or 'D' (major defects / life expired, potential imminent failure) 	Some Improvement Needed	<p>All CEs to be supported by a detailed breakdown of adjustments to costs / timings which will assist in the budget monitoring process. This documentation should be retained on file in support of the variation. (H)</p> <p>Based on the review of files a series of recommendations were made on improvements around:</p> <ul style="list-style-type: none"> > Budget setting > Compliance with Procurement SO > Completeness of documentation > Application of contract uplifts > Recovery of overcharged sum (H) <p>Management should ensure that the condition survey information is subject to regular review and updating. Schemes which remain scheduled for previous financial years should be revisited and scheduled as appropriate. (H)</p>

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Financial Assessments and Charging	<p>Adults Social Care (ASC) is currently transferring financial assessments from the ABACUS system to the SWIFT system. There are approximately 5,000 clients billed through SAP every month for annual contributions to their social care of £38.5m. The majority of service users are billed in relation to a residential service.</p>	<p>The migration to assessment in SWIFT has been slower than initially hoped. Over 90% of residential service users now have a current assessment on SWIFT but there has been a delay in transferring the service users with non-residential care. The target for the completion of the migration to SWIFT is 31 March 2013, although it is likely this will overrun. There is a programme to transfer the remaining service users in tranches but it relies on the capacity of the ASC teams.</p> <p>A key area of the migration has been to ensure data quality in terms of correct assessments, and so frequent comparisons were made to compare the before and after migration effect on charges raised to ensure all were billed correctly, thus offsetting the delay in the ability to record the check in SWIFT.</p> <p>The audit found that one area team has not been completing the required 5% management check of all financial assessments.</p>	Some Improvement Needed	<p>Management should ensure the 5% sample checks are undertaken for all assessments in line with agreed procedures. (H)</p>

¹ **Audit Opinions**

Effective	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Some Improvement Needed	A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Major Improvement Needed	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
Unsatisfactory	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

² **Audit Recommendations**

Priority High (H) - major control weakness requiring immediate implementation of recommendation

Priority Medium (M) - existing procedures have a negative impact on internal control or the efficient use of resources

Priority Low (L) - recommendation represents good practice but its implementation is not fundamental to internal control

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